|  |  |
| --- | --- |
| **Originator:** | *Human Resources* |
| **Approval:** | *Executive Vice President & Chief Human Resources Officer* |
| **Effective:** | *January 1, 2015* |

THIS DOCUMENT IS FOR INFORMATIONAL PURPOSES ONLY. THIS DOCUMENT DOES NOT ALTER THE “AT-WILL” EMPLOYMENT STATUS OF DUKE ENERGY EMPLOYEES. “AT-WILL” EMPLOYMENT MEANS THAT EITHER AN EMPLOYEE OR DUKE ENERGY CAN TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE, SUBJECT TO RESTRICTIONS UNDER ANY APPLICABLE LAW. THIS DOCUMENT IS NOT INTENDED TO CONFLICT WITH THE TERMS OF ANY APPLICABLE COLLECTIVE BARGAINING AGREEMENT (“CBA’). WHERE A CONFLICT EXISTS, THE TERMS OF THE APPLICABLE CBA SHALL CONTROL.

**APPLIES TO DUKE ENERGY UNIONIZED EMPLOYEES REPRESENTED BY IBEW (SCU-08)**

This document covers the following procedural topics:

* **Military Leaves of Absence**
* **Death in Family**
* **Jury and Witness Duty**
* **Mandatory Military Training**
* **Emergency Military Service/Natural Disasters**
* **Domestic Violence**

**Military LEAVES OF ABSENCE POLICY**

Employees absent in connection with military service will be granted excused time from work without pay (absences not exceeding 31 calendar days) or a leave of absence (absences

exceeding 31 calendar days).

**Military Leave**

Employees absent for military service will be granted excused time from work without pay (absences not exceeding 31 calendar days) or a leave of absence (absences exceeding 31 calendar days) in accordance with federal law.

Military service includes active duty, active duty for training, initial active duty for training, inactive duty training and full-time National Guard duty covered by the Uniformed Services Employment and Reemployment Rights

Act of 1994 (USERRA).

**Written notice** - Employees should submit a written request for military leave to their supervisor 30 days before the absence begins. When 30 days’ notice is not possible, employees should provide as much notice as possible.

**Continuation of benefits** - Benefits will automatically be continued during military service leave as long as the employee continues to make required contributions. Employees participating in the 401(k) Plan may elect to leave

savings in the Plan. Employee wishing to cancel benefits should contact the Education Reimbursement Administrator within 30 days of beginning the leave.

**Holiday** - Employees on military leave do not receive holiday pay.

**Vacation** - Employees on military leave earn the full year’s vacation if they work during the calendar year. With supervisor approval, they may take all or part of the full year’s untaken vacation before the leave begins. Or upon

return from leave in the same calendar year, they may take any unused vacation on dates approved by their supervisor. Employees on military leave do not earn vacation in a calendar year in which they have been on leave for the entire calendar year.

**Reemployment** - Employees who return from military leave and apply for reemployment as prescribed by federal law will be reemployed in accordance with USERRA. They will not be considered to have a break in service if they

return within the time frames outlined in USERRA. Upon reemployment, all time spent on military leave will be added to the former Company service. Benefits based on length of service continue to accrue as though the employee was employed during the leave (as well as seniority for unionized employees). General and periodic increases will be calculated upon return from the leave as follows:

• Non-unionized employees receive a merit increase equal to the budgeted merit amount.

• Unionized employees receive an increase based on the Memorandum of Agreement.

**Leave paperwork required:**

• Employee completes Request for Military Leave

• Manager or employee contacts myHR to begin military leave process

**Reinstatement actions required**:

• Employee provides manager copy of discharge papers

• Manager contacts myHR to terminate military leave.

**OTHER TIME OFF (Excerpts from HRI-SUBS-00706)**

**Death in the Family**

Regular employees who have completed the probationary period are allowed time off with pay for death in the immediate family. Immediate family includes wife, husband, domestic partner, child, mother, father, stepmother,

stepfather, sister, brother, grandmother, grandfather, grandchild, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and any relative who resides in the employee’s household. Child includes

biological, foster, step, adopted, or domestic partner’s child, as well as a ward under a legal guardianship. These relationships also pertain to domestic partners and their children.

Up to three workdays off with pay may be allowed when the death occurs and/or the funeral is held in a nearby community. If the death occurs and/or the funeral is held away from the community where the employee works,

reasonable travel time may be allowed with an overall maximum time off with pay of five working days.

Regular employees may also be granted up to one day off to be a pallbearer with the supervisor’s approval. The maximum hours granted will be equal to the employees normally scheduled work day; for example, if an employee

works a 10-hour day, up to 10 hours may be granted.

**Jury and Witness Duty**

Time off with pay shall be allowed to regular employees who are called for jury duty or subpoenaed to testify in a court action in which the employee’s involvement is beyond their personal control and in court action that is not

against the employee. The employee may retain any jury duty pay received and may retain witness pay except when representing the Company. Employees are expected to return to their job during regular scheduled hours

if they are excused from jury or witness duty and can reasonably do so. Shift employees in power plants scheduled to work on the days they are to be in court should be assigned to plant maintenance work.

**Mandatory Military Training**

Employees who are required to be absent 31 calendar days or less for mandatory military training, including annual two-week Reserve/National Guard training, covered by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), may be granted time from work without pay. Regular, full-time employees may be paid the difference between their base earnings and their military pay for up to 80 hours per year.

Employees must request time without pay for military training in writing to the supervisor at least two weeks prior to the training. The request must be accompanied by military orders. For the Company to make up the difference

between base pay less the amount the employee receives from the government for military pay and all allowances, the employee must furnish Payroll with military pay vouchers. Amounts paid to the employee by the government as a reimbursement for expenses actually incurred by that individual will not be deducted from the Company pay. However, expenses reimbursed for off-base accommodations when base accommodations were

available will not be considered reimbursable expenses. Receipts for reimbursable expenses must be submitted to verify the actual incurred expenses for the employee only.

If employees use vacation for the military training absence, the Company will not make any additional payment.

For military service exceeding 31 calendar days, see **Leaves of Absence.**

**Emergency Military Service/Natural Disasters**

Members of the National Guard or the Reserves who are called out for mandatory emergency military service due to civilian disturbances, natural disasters or peacekeeping missions will be excused from work. The request

should be made to the employee’s supervisor two weeks in advance of leave when possible. The request must be accompanied by military orders.

Regular, full-time employees who are placed on Military Leave of Absence (greater than 31 calendar days) are eligible to be paid for 80 hours of base earnings (overtime and other special adjustments do not apply).

Regular, full-time employees are also eligible for the difference between their base earnings and their military pay for up to 180 calendar days per year, regardless of the length of the absence or leave. Amounts paid to the

employee by the government as a reimbursement for expenses actually incurred by that individual will not be deducted from the Company pay. However, expenses reimbursed for off-base accommodations when base

accommodations were available will not be considered reimbursable expenses. Receipts for reimbursable expenses must be submitted to verify the actual incurred expenses for the employee only.

**Payment –** For the Company to make up the difference between base pay less the amount the employee receives from the government for military pay and all allowances, the employee must furnish Payroll with a military pay stub/voucher, including all allowances. Changes in military pay and/or allowances should be submitted to Payroll within 60 days of the change. Within 45 days of returning to work, the employee should provide Payroll a copy of the final military pay and allowances. Payroll will adjust supplemental pay as appropriate. The employee must repay any overpayments within 60 days of return to work or make satisfactory repayment arrangements. For underpayments, Payroll will make adjustment the pay period following receipt of final pay information.

**Domestic Violence**

Employees are eligible for up to three unpaid days in a 12-month period if the employee or a family or household member is a victim of domestic violence for specific activities including:

* seeking an injunction for protection against domestic violence or repeat violence, dating violence, or sexual violence;
* obtaining medical care or mental health counseling or both for the employee or a family or household member to address injuries resulting from domestic violence;
* obtaining services from victims services organizations such as a domestic violence shelter or rape crisis center;
* making the employee's home secure from the perpetrator of domestic violence or finding a new home to escape the perpetrator; and/or
* seeking legal assistance to address issues arising from domestic violence or attending or preparing for court related proceedings arising from the act of domestic violence.

Employees cannot be discharged, demoted, or disciplined for taking such time off as long as the employee follows Company guidelines. Managers must keep all information relating to the leave confidential.

**Eligibility** – Regular full-time, part-time and temporary employees with at least three months of service may be eligible for time off. Employees may substitute paid time off (vacation, personal/floating holiday, or choice time if

applicable) for unpaid time off. An employee on leave due to domestic violence has no greater rights to continued employment that if the employee was not entitled to this time off.

**Approval** – Eligible employees must provide advance notice of the leave except in cases of imminent danger to the health and safety of the employee or a family member. Sufficient documentation (e.g., police report, protection

order, or documentation provided by licensed domestic violence agency) of the act of domestic violence is required. The documentation is reviewed by the supervisor and forwarded to the HR Business Partner. For the purposes of this policy, family or household member is defined as follows:

• Those who reside together as a family (or who have resided together in the past as a family), or

• Persons who are parents of a child regardless of whether they have been married.

When an employee requires reasonable time off from work to obtain a domestic violence protective order against a spouse, companion, or family member, the employee cannot be discharged, demoted, or disciplined for taking such time off as long as the employee follows the employer’s usual time-off policy. The supervisor will determine if the time off is paid or unpaid according to Company policy.

Supervisors should contact their HR Business Partner for additional guidance.

**IBEW SCU-8 Bargaining Unit Sick/Dependent Care Pay/Hardship Policy**

#### PHILOSOPHY

Duke Energy expects all employees to be at work during their regularly scheduled work hours. However, it is understood that there are times when employees must miss work because of personal illness or injury. This Policy is designed to provide eligible employees with pay continuation during those situations, as described in more detail below.

Sick/Dependent Care Pay is a benefit that provides eligible employees with protection against loss of pay for an employee’s non-work related personal illness/injuryor to provide care for an immediate family member. In addition**,** employees requiring a longer absence may be eligible for pay continuation through short term disability (STD) and long-term disability (LTD) benefits administered by the Company’s third party administrator. Sick Pay may also be available during the seven consecutive calendar day elimination period required at the onset of a continuous STD claim.

Although the Company provides time off for extended illness or injury under the “Leave of Absence Procedure,” which covers FMLA Leave, Domestic Partner Leave, Personal Leave, and other leaves, those leaves are generally unpaid unless the employee qualifies for pay continuation under this Policy or the STD/LTD programs. This Policy describes when and how eligible employees may receive pay for their time off, and how Sick Pay relates to STD benefits. Additional information is also available on the Portal’s Employee Center >Employee Leaves/Time Away from Work page.

**Definitions**

 **Sick/Dependent Care Pay**

Sick time hours that may be used for a non-work related personal illness or injury or that of an immediate family member. (Work-related injuries or illnesses may be eligible for worker’s compensation benefits under applicable state law).

**Personal Illness/Injury Absence**

An absence due to an employee’s own non work-related illness or injury resulting in time away from work.

**Extended Illness/Injury Absence**

An absence due to an employee’s own non work-related illness or injury resulting in time away from work of three or more consecutive calendar days (see “Extended Absences for Non Work-Related Personal Illness or Injury” below).

**Short-Term Disability Case Management**

Use of a third party administrator for a confidential and consistent review of the clinical documentation related to a requested leave following more than seven consecutive calendar days for an employee’s own non-work related serious health condition. The third party administrator determines proof of the disability and appropriate duration of time off, and notifies the employee and the Company of its decision in a reasonable period of time. In the event of an adverse decision, notification of the rights and steps to appeal also is provided to the employee and the Company.

**Intermittent Time Off**

An absence requiring a few hours, a day, or a week off, not necessarily according to a set schedule but for the same purpose. For example, an employee may need two afternoons a week off for six weeks for physical therapy. Intermittent time off may be taken in no less than 15 minute increments. Other examples may include prenatal exams, medical treatments like chemotherapy, etc.

**Employees Must Notify Supervision**

When an employee must be absent or late to work, he/she must notify his/her supervisor before the scheduled work hours begin, or as soon as possible, in order to receive Sick Pay. If the employee is unable to notify supervision personally, he/she is expected to make arrangements for someone to contact his/her supervisor as promptly as possible.

**Note:** If the supervisor is not available, the employee should contact another level of supervision or other person designated in advance by his or her supervisor.

As soon as the employee knows about a scheduled absence, such as a doctor’s appointment, he/she should notify his/her supervisor. This will allow the supervisor time to make schedule changes or arrangements to cover for the employee, if needed.

Exceptions may be made if the individual cannot call in due to circumstances beyond his/her control.

The following table shows the Sick/Dependent Care Pay eligibility for Bargaining Unit employees:

|  |  |
| --- | --- |
| **Year** | **Sick Pay Eligibility** |
| 1st calendar year of employment | Hired in Jan.–March – 40 hoursHired in April-June – 30 hoursHired in July-Sept. – 20 hoursHired in Oct.-Dec. – 10 hours |
| 2nd calendar year of employment and beyond | 80 hours of Sick/Dependent Care Pay per year.  |

**Leave of Absence or Separation**

An employee who is on a paid leave of absence as of January 1 of a calendar year will receive the Sick/Dependent Care Pay balance for that year. An employee who is on an unpaid leave of absence as of January 1 of a calendar year will receive their allotted hours of Sick/Dependent Care upon return to work, pro-rated based on the date he/she returns to work.

Unused Sick Pay is forfeited upon separation of employment, regardless of the reason for separation. Employees will not receive pay for unused Sick Pay upon separation from employment.

**Using Sick Pay**

Employees with Sick Pay may use these hours on an intermittent basis to be paid the straight time rate for the regularly scheduled hours they are off work due to a non-work related personal illness or injury.

**Definition of Dependent**

For purposes of this policy, a dependent is defined as the employee’s parent, spouse, domestic partner, child (including the child of a spouse or domestic partner) and other relatives for whom the employee is acting as the primary care provider at the time of the dependent care occurrence. Other relatives may include immediate family, mother-/father-in-law, parents of domestic partner and grandchildren of employees. For children, the definition also includes step-children, legal guardianship, foster children, employees standing in “loco parentis” to the child, and the corresponding relationships of the employee’s domestic partner.

**Use of Sick/Dependent Care Pay**

Employees with Sick/Dependent Care Pay may use these hours on an intermittent basis to be paid the straight time rate for the regularly scheduled hours they are off work due to a non-work related personal illness or injury.

Management has the discretion to request that an employee provide a doctor’s statement or other documentation verifying the need for the employee to miss work due to non-work related illness or injury. In cases where management determines that the employee is not eligible for Sick/Dependent CarePay based on a lack of documentation or other information, Sick/Dependent Care Pay may be denied. Employees who abuse the Sick/Dependent Care Pay program by engaging in deceptive behaviors or providing fraudulent documentation are subject to corrective action, up to or including termination.

Examples of situations where an employee may take time off to carefor a dependent include, but are not limited to:

* Making arrangements for the care of a sick dependent.
* Caring for a sick dependent.
* Taking a dependent that is ill or injured to a medical provider or the hospital.
* Time required admitting a dependent to a hospital.
* Time required releasing a dependent from the hospital.
* Time required for a doctor consultation during dependent hospitalization.
* Taking a dependent to a well doctor, dentist, or vision visit.

Additionally, employees are eligible for Sick**/**Dependent Care Pay in the following situations:

* For parents after the birth of a child or the adoption/foster care placement of a child;
* For parents to care for a healthy new-born
* For the adoption of a child under age 18, including a stepchild or relative living in the household who is a legal dependent as defined by IRS regulations, and/or
* For the primary care giver to care for an ill spouse/domestic partner or other qualifying relative.

Sick/Dependent Care Pay may not be used for routine day care situations or to care for a child when day care arrangements are not available (e.g. day care or school is closed for the day or week, inclement weather, care-giver is sick, etc.).

Sick**/**Dependent Care Pay must be taken in no less than fifteen minute increments, and does not have to be used consecutively.

Sick/Dependent CarePay may not be used for:

* A claim denied by a third party administrator for Extended Illness/Injury Absence
* A claim approved under STD 66 2/3% (to make up the difference)
* A claim approved under STD at 100% (no “double dipping”)

If an employee exhausts all of his/her Sick/Dependent Care Pay for the calendar year, the employee, with supervisory approval, may use available vacation time or personal holidays to continue pay while off work. Otherwise, the time away from work will be unpaid.

**Other Considerations**

Unused Sick**/**Dependent Care Pay cannot be carried over into the following calendar year.

Employees will not be paid for unused Sick**/**Dependent Care Pay at the end of the year or when they leave the Company.

An employee who is on a paid leave of absence to care for a dependent as of January 1 of a calendar year will receive the Sick**/**Dependent Care Pay entitlement for that calendar year.

## Doctor/Dentist Appointments

Sick/Dependent Care Pay may be used for employees’ routine doctor/dentist appointments, such as yearly physical examinations and dental check-ups, as well as appointments for non-work related personal illnesses or injuries.

Supervisors should encourage employees to schedule routine appointments on scheduled days off whenever possible.

## Extended Absence for Non Work-Related Personal Illness or Injury

In the event an employee must be absent for three or more consecutive calendar days for a non- work related illness or injury, the employee should notify his or her supervisor and contact the *my*HR Service Center at 888-465-1300 and select “Leaves, Disability, and FMLA” to speak with a Leaves Specialist. Employees also should review the Leave of Absence Procedure for information and guidance on necessary additional steps.

Additional notification and tracking may be required if an absence will extend beyond three consecutive calendar days. Intermittent time off for personal illness or injury that is of short duration but ongoing, may also require additional tracking. Examples include pre-natal doctor visits or recurring therapy visits.

If an employee must remain off work for more than seven continuous calendar days due to a non-work related personal illness/injury, the employee may be eligible for STD benefits for potential pay of 100% or 66 2/3% based on years of service at the beginning of the continuous absence. STD is administered by the Company’s third party administrator, and requires employees to provide supporting documentation in a timely manner. Please refer to the Short Term Disability Summary Plan Description available on the Your Benefits Resources website via the Employee Center > Benefits Health & Insurance page for additional information on this benefit.

Sick paid time off applied during the STD seven day elimination period will not be replenished if/when the STD claim is approved. However, Bargaining Unit Employees who have obtained at least one year of service will receive a separate bank of forty (40) hours of additional paid leave that may be used only to cover an STD elimination period. Once approved for STD, a Bargaining Unit Employee may, at the employee’s option, utilize all or part of the hours from this bank, Sick/Dependent Care hours, or vacation pay, or any combination thereof, to cover the STD elimination period. This bank of paid leave hours will not be refreshed by the Company once depleted

**Employee Responsibilities**

An employee is required to notify his/her supervisor of the need to utilizeSick/Dependent Care fora dependent prior to taking the time off whenever possible. In emergency situations, the employee should contact his/her supervisor as soon as possible. The employee also should consider other Company policies that may be applicable, such as the Leave of Absence policy or Vacation Policy.

**Supervisor Responsibilities**

The supervisor needs to determine how many days/hours of an absence qualify for Sick**/**Dependent Care Pay by asking questions and applying this policy. Eligibility for Sick**/**Dependent care Pay is determined by the criteria contained in this policy.In situations that do not qualify for Sick**/**Dependent Care Pay, the employee may need to request vacation or excused unpaid time off.

**Birth/ Adoption/ Foster Care Placement.** The following are examples of questions a supervisor may ask the employee when he/she is requesting Sick**/**Dependent Care Pay after the birth, adoption, or foster care placement of a child.

1. Is a dependent involved?
2. What is the situation that requires you to provide care?
3. How long do you anticipate needing to be off from work?
4. Is it possible that the FMLA could apply?

Supervisors also should consider the employee’s attendance/availability record and consider whether the FMLA applies to the situation. Supervisors should work with employees to explore all options for handling frequent or long-term dependent care needs. Using vacation, unpaid FMLA, or unpaid personal time may be possible options, with supervisory approval. Supervisors should consult their HR Business Partner with any questions or concerns.

**Hardship**

Hardship Pay is an option of last resort for ~~that~~ management to consider when employees require time off work for extraordinary circumstances, but have exhausted or do not qualify for paid time off under the Sick/Dependent Care Pay Policy, STD Plan, LTD Plan, Vacation, or Personal Holiday days. Employees in this situation may request special consideration for additional paid time off as approved by management. In such cases, the supervisor should consult with the HR Business Partner for additional guidance and approval prior to paying the employee. To the extent FMLA applies to the employee’s circumstances, FMLA (which is unpaid) will be provided at the same time as the hardship time off.

When approved by management, hardship paid time off provides additional pay for regularemployees due to extraordinary circumstances. Hardship paid time off may apply when the employee’s situation does not qualify for another form of paid leave or the employee has exhausted a paid time off benefit (such as in intermittent leave or dependent care situations), but is not appropriate when an employee has been denied STD or LTD benefits**.**

Examples of otherwise unpaid absences that may qualify for hardship paid time off include but are not limited to:

* Treatment of a critical illness, a terminal health condition or hospitalization of employee or his/her immediate family member (spouse, domestic partner, parent, child) or
* To assist an immediate family member with outpatient surgery, medical tests or other serious medical conditions.
* Return to work from a medical leave on a reduced schedule or intermittent follow up therapy,
* An intermittent absence resulting from a critical, terminal, or serious health condition,

## Requesting Hardship

The employee may request hardship pay using a Hardship Request Form that can be found on the portal. The employee must provide an explanation of the hardship need and supply documentation that supports the claim for hardship.

## Granting Hardship

When an employee submits a hardship request, the supervisor must consult with the HR Business Partner, who can assist in making a decision on whether to grant the request and the amount of time to be allowed. Management determines the length of time to grant for hardship on a case-by-case basis, and can grant full, partial, or no additional paid time off. Approval is required by the department VP/designee.

## Superv isor ’s Role

1. Review all relevant information before deciding to grant the hardship such as:

* Consider qualification for FMLA (continuous, intermittent, reduced work schedule leaves)
* Consider integration with other processes and regulations such as Workers’ Compensation or ADAAA
* Ensure all sick paid time off and other paid time off options have been exhausted (such as vacation and personal holidays)
* Consider availability/attendance for previous three years
* Consider performance and performance history
* Compare past case history and comparables within the department
* Consider impacts of absence on business needs
* Consider seriousness of illness/injury
* Consider extenuating circumstances related to absence

Discuss the situation with his/her management and HR Business Partner before formalizing the hardship approval. Ensure appropriate documentation of the hardship and understand any potential integration with leaves of absence, Workers’ Comp or accommodations processes.

1. Document recommendation and obtain approval from the department head/designee.
2. Communicate the final decision to the employee.
* In the event a hardship is denied, the employee, upon his/her request, will be orally informed of the reasons forthe denial of the hardship benefit.
* Additional paid time off for hardship would be coded as Excused Absence Paid or Leaves-Excused Absence Paid.
* At the beginning of a new calendar year when all sick paid time off, vacation and personal holiday is granted in the MyTime system, the employee is expected to use and exhaust these paid time off benefits instead of continuing to apply the Excused Absence Paid time off code in the new year.